

**OFFICE OF CITY CONTROLLER**  
**CITY OF HOUSTON**  
INTER OFFICE CORRESPONDENCE

<b>To</b>	Mayor Lee P. Brown City Council Members	<b>From</b>	Judy Gray Johnson City Controller
		<b>Date</b>	October 31, 2003
		<b>Subject</b>	<b>September 2003 Financial Report</b>

Attached is the Monthly Financial and Operations Report for the period ending September 30, 2003.

**GENERAL FUND – FY 2003**

Our estimate of the Fiscal Year 2003 ending Fund Balance decreased by \$.7 million from last month's projection to \$85.6 million. This downward revision is due primarily to departmental inventory adjustments. We will continue to report any significant changes to that estimate until the annual audit process is completed.

**GENERAL FUND – FY 2004**

Our revenue projections have increased by \$2 million.

- We are increasing our projection for Sales Tax revenues by \$500 thousand. The amounts received in the first quarter exceeded our original estimates.
- Our Gas Franchise revenue estimate has increased by \$1.5 million. Revenues for the first quarter of Fiscal Year 2004 are higher than last year due to an increase in the market value of natural gas from \$3.00 per mbtu (million thermal unit) to \$4.50 per mbtu. Also, the Railroad Commission increased prices for residential users from \$.20 per mcf to \$.30 per mcf. Both increases are expected to have an effect on the City's gas franchise revenues.

**Expenditures – FY2004**

Our projection for General fund departmental expenditures has increased by \$200 thousand from last month due to several adjustments, none of them significant. We are now projecting a shortfall of approximately \$24.4 million.

Mayor Lee P. Brown  
City Council Members  
September 2003 Monthly Financial and Operations Report

**HIGHLIGHTS OF THE BOND STATUS REPORT**

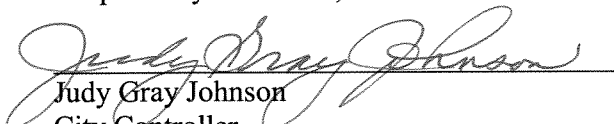
<b>COMMERCIAL PAPER</b>	<b>Drawdowns FY 04 (in millions)</b>	<b>Drawdowns In Sept. (in millions)</b>	<b>Amount Available to be Drawn (in millions)</b>	<b>Amount Outstanding (in millions)</b>
<b>General Obligation</b>				
<i>(Series A &amp; B)</i>				
<i>Public Improvement Bond</i>	\$ 8.00	\$ 3.00	\$ 99.00	\$ 348.30
<i>(Series D)</i>	\$ 10.00	\$ 0.00	\$ 142.00	\$ 23.00
<i>(Series C)</i>				
<i>Equipment</i>	\$ 2.40	\$ 0.00	\$ 0.00	\$ 45.90
<i>Storm &amp; Overlay</i>	\$ 0.10	\$ 0.00	\$ 3.00	\$ 16.10
<i>(Series E)</i>				
<i>Downtown Streetscape</i>	\$ (2.50)	\$ (2.50)	\$ 2.50	\$ 3.00
<i>Equipment</i>	\$ 2.50	\$ 2.50	\$ 67.00	\$ 2.50
<b>Water and Sewer</b>	\$ 130.00	\$ 60.00	\$ 354.75	\$ 545.25
<i>(Series A &amp; B)</i>				
<b>Aviation</b>	\$ 0.00	\$ 0.00	\$ 300.00	\$ 0.00
<i>(Series A,B, &amp; C)</i>				
<b>Convention &amp; Enter.</b>	\$ 0.00	\$ 0.00	\$ 52.50	\$ 22.50
<i>(Series A)</i>				

The City's practice has been to maintain no more than 20% to 25% of the total outstanding debt for each type of debt issued in a variable rate structure. The Series 2001A Public Improvement Bond Issue closed yesterday. This will reduce the General Obligation variable rate percentage for next month's report.

As of September 30, 2003, the ratio for each type of outstanding debt was:

<b>General Obligation</b>	21.7%
<b>Water and Sewer</b>	13.7%
<b>Aviation</b>	16.0%
<b>Convention &amp; Entertainment</b>	26.8%

Respectfully submitted,

  
Judy Gray Johnson  
City Controller